

# Union Calendar No. 446

113TH CONGRESS  
2D SESSION

# H. R. 2996

[Report No. 113-599, Part I]

To require the Secretary of Commerce to establish the Network for Manufacturing Innovation and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. REED (for himself and Mr. KENNEDY) introduced the following bill; which was referred to the Committee on Science, Space, and Technology, and in addition to the Committee on Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

SEPTEMBER 15, 2014

Additional sponsors: Mr. LIPINSKI, Mr. COLLINS of New York, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GIBSON, Mr. AMODEI, Mr. DINGELL, Mr. HUNTER, Mr. RYAN of Ohio, Mr. NOLAN, Mr. CICILLINE, Mr. McGOVERN, Ms. ESTY, Ms. KELLY of Illinois, Mrs. BROOKS of Indiana, Mr. JOHNSON of Ohio, Mr. GRAVES of Missouri, Mr. SCHNEIDER, Ms. DUCKWORTH, Mr. MICHAUD, Mr. HONDA, Mr. KIND, Mr. LONG, Mr. STUTZMAN, Mr. YOHO, Mr. ROONEY, Mr. JOYCE, Mr. COLE, Mr. VELA, Mr. KILDEE, Ms. TSONGAS, Ms. SEWELL of Alabama, Mr. CROWLEY, Mr. LARSON of Connecticut, Mr. CONNOLLY, Mr. CAPUANO, Mr. NEAL, Mr. TIERNEY, Mr. KEATING, Mr. VARGAS, Mr. CARNEY, Mr. SOUTHERLAND, Mr. TIBERI, Mr. STIVERS, Mrs. BLACK, Mr. RENACCI, Mr. RODNEY DAVIS of Illinois, Mr. GRIFFIN of Arkansas, Mr. KELLY of Pennsylvania, Mr. MESSER, Mr. MARCHANT, Mr. LUETKEMEYER, Mr. BENTIVOLIO, Mrs. WAGNER, Mr. LATTA, Mr. SMITH of Missouri, Mr. LEVIN, Mr. WHITFIELD, Mr. LANGEVIN, Mr. WENSTRUP, Mr. CÁRDENAS, Mr. TURNER, Mr. FOSTER, Mr. KING of New York, Mr. GENE GREEN of Texas, Mr. COOK, Mr. RANGEL, Mr. CHABOT, Mr. STOCKMAN, Mr. JONES, Mr. KILMER, Mr. O'ROURKE, Mr. YARMUTH, Mrs. HARTZLER, Mr. LOEBSACK, Mr. KINZINGER of Illinois, Mr. SWALWELL of California, Mr. WOLF, Ms. CLARK of Massachusetts, Mr. HULTGREN, Ms. DELAURO, Mr. THOMPSON of Pennsylvania, Mrs.

BUSTOS, Mr. BOUSTANY, Ms. KUSTER, Mr. GIBBS, Mr. SCHOCK, Mr. ENYART, Mr. LYNCH, Mr. MULLIN, Mr. MURPHY of Florida, Mr. FLORES, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mrs. McMORRIS RODGERS, Mr. PETERS of California, Mr. GARY G. MILLER of California, Mr. MAFFEI, Mr. TONKO, Mr. MCKINLEY, and Ms. BONAMICI

SEPTEMBER 15, 2014

Reported from the Committee on Science, Space, and Technology with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

SEPTEMBER 15, 2014

The Committee on Appropriations discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on August 2, 2013]

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## A BILL

To require the Secretary of Commerce to establish the Network for Manufacturing Innovation and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Revitalize American*  
5   *Manufacturing and Innovation Act of 2014”.*

6   **SEC. 2. FINDINGS.**

7       *Congress finds the following:*

8           (1) *In 2012, manufacturers contributed \$2.03*  
9   *trillion to the economy, or ¼ of United States Gross*  
10   *Domestic Product.*

11           (2) *For every \$1.00 spent in manufacturing, another \$1.32 is added to the economy, the highest multiplier effect of any economic sector.*

14           (3) *Manufacturing supports an estimated 17,400,000 jobs in the United States—about 1 in 6 private-sector jobs. More than 12,000,000 Americans (or 9 percent of the workforce) are employed directly in manufacturing.*

19           (4) *In 2012, the average manufacturing worker in the United States earned \$77,505 annually, including pay and benefits. The average worker in all industries earned \$62,063.*

23           (5) *Taken alone, manufacturing in the United States would be the 8th largest economy in the world.*

1                   (6) *Manufacturers in the United States perform*  
2                   *two-thirds of all private-sector research and develop-*  
3                   *ment in the United States, driving more innovation*  
4                   *than any other sector.*

5   **SEC. 3. ESTABLISHMENT OF NETWORK FOR MANUFAC-**  
6                   **TURING INNOVATION.**

7                   *The National Institute of Standards and Technology*  
8   *Act (15 U.S.C. 271 et seq.) is amended—*

9                   (1) *by redesignating section 34 as section 35;*  
10                  *and*  
11                   (2) *by inserting after section 33 (15 U.S.C.*  
12                  *278r) the following:*

13   **“SEC. 34. NETWORK FOR MANUFACTURING INNOVATION.**

14   “(a) *ESTABLISHMENT OF NETWORK FOR MANUFAC-*  
15   *TURING INNOVATION PROGRAM.—*

16                   “(1) *IN GENERAL.—The Secretary shall establish*  
17                  *within the Institute a program to be known as the*  
18                  *‘Network for Manufacturing Innovation Program’ (re-*  
19                  *ferred to in this section as the ‘Program’).*

20                   “(2) *PURPOSES OF PROGRAM.—The purposes of*  
21                  *the Program are—*

22                   “(A) *to improve the competitiveness of*  
23                  *United States manufacturing and to increase the*  
24                  *production of goods manufactured predomi-*  
25                  *nantly within the United States;*

1               “(B) to stimulate United States leadership  
2               in advanced manufacturing research, innovation,  
3               and technology;

4               “(C) to facilitate the transition of innova-  
5               tive technologies into scalable, cost-effective, and  
6               high-performing manufacturing capabilities;

7               “(D) to facilitate access by manufacturing  
8               enterprises to capital-intensive infrastructure,  
9               including high-performance electronics and com-  
10               puting, and the supply chains that enable these  
11               technologies;

12               “(E) to accelerate the development of an ad-  
13               vanced manufacturing workforce;

14               “(F) to facilitate peer exchange of and the  
15               documentation of best practices in addressing  
16               advanced manufacturing challenges;

17               “(G) to leverage non-Federal sources of sup-  
18               port to promote a stable and sustainable business  
19               model without the need for long-term Federal  
20               funding; and

21               “(H) to create and preserve jobs.

22               “(3) SUPPORT.—The Secretary, acting through  
23               the Director, shall carry out the purposes set forth in  
24               paragraph (2) by supporting—

1               “(A) the Network for Manufacturing Inno-  
2               vation established under subsection (b); and  
3               “(B) the establishment of centers for manu-  
4               facturing innovation.

5               “(4) DIRECTOR.—The Secretary shall carry out  
6               the Program through the Director.

7               “(b) ESTABLISHMENT OF NETWORK FOR MANUFAC-  
8               TURING INNOVATION.—

9               “(1) IN GENERAL.—As part of the Program, the  
10              Secretary shall establish a network of centers for man-  
11              ufacturing innovation.

12              “(2) DESIGNATION.—The network established  
13              under paragraph (1) shall be known as the ‘Network  
14              for Manufacturing Innovation’ (referred to in this  
15              section as the ‘Network’).

16              “(c) CENTERS FOR MANUFACTURING INNOVATION.—

17              “(1) IN GENERAL.—For purposes of this section,  
18              a ‘center for manufacturing innovation’ is a center  
19              that—

20              “(A) has been established by a person or  
21              group of persons to address challenges in ad-  
22              vanced manufacturing and to assist manufactur-  
23              ers in retaining or expanding industrial produc-  
24              tion and jobs in the United States;

1           “(B) has a predominant focus on a manu-  
2       facturing process, novel material, enabling tech-  
3       nology, supply chain integration methodology, or  
4       another relevant aspect of advanced manufac-  
5       turing, such as nanotechnology applications, ad-  
6       vanced ceramics, photonics and optics, compos-  
7       ites, biobased and advanced materials, flexible  
8       hybrid technologies, and tool development for  
9       microelectronics;

10           “(C) as determined by the Secretary, has  
11       the potential—

12           “(i) to improve the competitiveness of  
13       United States manufacturing, including key  
14       advanced manufacturing technologies such  
15       as nanotechnology, advanced ceramics,  
16       photonics and optics, composites, biobased  
17       and advanced materials, flexible hybrid  
18       technologies, and tool development for  
19       microelectronics;

20           “(ii) to accelerate non-Federal invest-  
21       ment in advanced manufacturing produc-  
22       tion capacity in the United States; or

23           “(iii) to enable the commercial appli-  
24       cation of new technologies or industry-wide  
25       manufacturing processes; and

1               “(D) includes active participation among  
2               representatives from multiple industrial entities,  
3               research universities, community colleges, and  
4               such other entities as the Secretary considers ap-  
5               propriate, which may include industry-led con-  
6               sortia, career and technical education schools,  
7               Federal laboratories, State, local, and tribal gov-  
8               ernments, businesses, educational institutions,  
9               and nonprofit organizations.

10              “(2) ACTIVITIES.—Activities of a center for man-  
11               ufacturing innovation may include the following:

12              “(A) Research, development, and dem-  
13               onstration projects, including proof-of-concept  
14               development and prototyping, to reduce the cost,  
15               time, and risk of commercializing new tech-  
16               nologies and improvements in existing tech-  
17               nologies, processes, products, and research and  
18               development of materials to solve precompetitive  
19               industrial problems with economic or national  
20               security implications.

21              “(B) Development and implementation of  
22               education, training, and workforce recruitment  
23               courses, materials, and programs.

24              “(C) Development of innovative methodolo-  
25               gies and practices for supply chain integration

1           *and introduction of new technologies into supply  
2           chains.*

3           “*(D) Outreach and engagement with small  
4           and medium-sized manufacturing enterprises,  
5           including women and minority owned manufac-  
6           turing enterprises, in addition to large manufac-  
7           turing enterprises.*

8           “*(E) Such other activities as the Secretary,  
9           in consultation with Federal departments and  
10          agencies whose missions contribute to or are af-  
11          fected by advanced manufacturing, considers  
12          consistent with the purposes described in sub-  
13          section (a)(2).*

14          “*(3) ADDITIONAL CENTERS FOR MANUFACTURING  
15          INNOVATION.—*

16          “*(A) IN GENERAL.—The National Additive  
17          Manufacturing Innovation Institute and other  
18          manufacturing centers formally recognized as  
19          manufacturing innovation centers pursuant to  
20          Federal law or executive actions, or under pend-  
21          ing interagency review for such recognition as of  
22          the date of enactment of the Revitalize American  
23          Manufacturing and Innovation Act of 2014,  
24          shall be considered centers for manufacturing in-*

1           *novation, but such centers shall not receive any*  
2           *financial assistance under subsection (d).*

3           “(B) *NETWORK PARTICIPATION.*—A manu-  
4           *facturing center that is substantially similar to*  
5           *those established under this subsection but that*  
6           *does not receive financial assistance under sub-*  
7           *section (d) may, upon request of the center, be*  
8           *recognized as a center for manufacturing innova-*  
9           *tion by the Secretary for purposes of participa-*  
10          *tion in the Network.*

11         “(d) *FINANCIAL ASSISTANCE TO ESTABLISH AND SUP-*  
12         *PORT CENTERS FOR MANUFACTURING INNOVATION.*—

13         “(1) *IN GENERAL.*—In carrying out the Pro-  
14           *gram, the Secretary shall award financial assistance*  
15           *to a person or group of persons to assist the organiza-*  
16           *tion in planning, establishing, or supporting a center*  
17           *for manufacturing innovation.*

18         “(2) *APPLICATION.*—A person or group of per-  
19           *sons seeking financial assistance under paragraph (1)*  
20           *shall submit to the Secretary an application therefor*  
21           *at such time, in such manner, and containing such*  
22           *information as the Secretary may require. The appli-*  
23           *cation shall, at a minimum, describe the specific*  
24           *sources and amounts of non-Federal financial support*  
25           *for the center on the date financial assistance is*

1       *sought, as well as the anticipated sources and  
2       amounts of non-Federal financial support during the  
3       period for which the center could be eligible for con-  
4       tinued Federal financial assistance under this section.*

5           “(3) *OPEN PROCESS.*—*In soliciting applications  
6       for financial assistance under paragraph (1), the Sec-  
7       retary shall ensure an open process that will allow for  
8       the consideration of all applications relevant to ad-  
9       vanced manufacturing regardless of technology area.*

10          “(4) *SELECTION.*—

11           “(A) *COMPETITIVE, MERIT REVIEW.*—*In  
12       awarding financial assistance under paragraph  
13       (1), the Secretary shall use a competitive, merit  
14       review process that includes peer review by a di-  
15       verse group of individuals with relevant expertise  
16       from both the private and public sectors.*

17           “(B) *PARTICIPATION IN PROCESS.*—

18           “(i) *IN GENERAL.*—*No political ap-  
19       pointee may participate on a peer review  
20       panel. The Secretary shall implement a con-  
21       flict of interest policy that ensures public  
22       transparency and accountability, and re-  
23       quires full disclosure of any real or poten-  
24       tial conflicts of interest on the parts of indi-*

1                   *viduals that participate in the merit selec-*  
2                   *tion process.*

3                   “(ii) *DEFINITION.*—For purposes of  
4                   this subparagraph, the term ‘political ap-  
5                   pointee’ means any individual who—

6                   “(I) is employed in a position de-  
7                   scribed under sections 5312 through  
8                   5316 of title 5, United States Code,  
9                   (relating to the Executive Schedule);

10                  “(II) is a limited term appointee,  
11                  limited emergency appointee, or non-  
12                  career appointee in the Senior Execu-  
13                  tive Service, as defined under para-  
14                  graphs (5), (6), and (7), respectively, of  
15                  section 3132(a) of title 5, United  
16                  States Code; or

17                  “(III) is employed in a position  
18                  in the executive branch of the Govern-  
19                  ment of a confidential or policy-deter-  
20                  mining character under schedule C of  
21                  subpart C of part 213 of title 5 of the  
22                  Code of Federal Regulations.

23                  “(C) *PERFORMANCE MEASUREMENT, TRANS-*  
24                  *PARENCY, AND ACCOUNTABILITY.*—For each

1           *award of financial assistance under paragraph  
2           (1), the Secretary shall—*

3                 “(i) make publicly available at the  
4                 time of the award a description of the bases  
5                 for the award, including an explanation of  
6                 the relative merits of the winning applicant  
7                 as compared to other applications received,  
8                 if applicable; and

9                 “(ii) develop and implement metrics-  
10                 based performance measures to assess the ef-  
11                 f ectiveness of the activities funded.

12                 “(D) COLLABORATION.—In awarding fi-  
13                 nancial assistance under paragraph (1), the Sec-  
14                 retary shall, acting through the National Pro-  
15                 gram Office established under subsection (f)(1),  
16                 collaborate with Federal departments and agen-  
17                 cies whose missions contribute to or are affected  
18                 by advanced manufacturing.

19                 “(E) CONSIDERATIONS.—In selecting a per-  
20                 son who submitted an application under para-  
21                 graph (2) for an award of financial assistance  
22                 under paragraph (1), the Secretary shall con-  
23                 sider, at a minimum, the following:

24                 “(i) The potential of the center for  
25                 manufacturing innovation to advance do-

1                   *mestic manufacturing and the likelihood of  
2                   economic impact, including the creation or  
3                   preservation of jobs, in the predominant  
4                   focus areas of the center for manufacturing  
5                   innovation.*

6                   “*(ii) The commitment of continued fi-  
7                   nancial support, advice, participation, and  
8                   other contributions from non-Federal  
9                   sources, to provide leverage and resources to  
10                  promote a stable and sustainable business  
11                  model without the need for long-term Fed-  
12                  eral funding.*

13                  “*(iii) Whether the financial support  
14                  provided to the center for manufacturing  
15                  innovation from non-Federal sources sig-  
16                  nificantly exceeds the requested Federal fi-  
17                  nancial assistance.*

18                  “*(iv) How the center for manufac-  
19                  turing innovation will increase the non-  
20                  Federal investment in advanced manufac-  
21                  turing research in the United States.*

22                  “*(v) How the center for manufacturing  
23                  innovation will engage with small and me-  
24                  dium-sized manufacturing enterprises, to  
25                  improve the capacity of such enterprises to*

1           *commercialize new processes and technologies.*

2

3           “(vi) *How the center for manufac-*

4           *turing innovation will carry out edu-*

5           *educational and workforce activities that meet*

6           *industrial needs related to the predominant*

7           *focus areas of the center.*

8           “(vii) *How the center for manufac-*

9           *turing innovation will advance economic*

10           *competitiveness and generate substantial*

11           *benefits to the Nation that extend beyond*

12           *the direct return to participants in the Pro-*

13           *gram.*

14           “(viii) *Whether the predominant focus*

15           *of the center for manufacturing innovation*

16           *is a manufacturing process, novel material,*

17           *enabling technology, supply chain integra-*

18           *tion methodology, or other relevant aspect of*

19           *advanced manufacturing that has not al-*

20           *ready been commercialized, marketed, dis-*

21           *tributed, or sold by another entity.*

22           “(ix) *How the center for manufac-*

23           *turing innovation will strengthen and lever-*

24           *age the assets of a region.*

1                     “(x) How the center for manufacturing  
2                     will encourage the education and training  
3                     of veterans and individuals with disabil-  
4                     ties.

5                     “(5) LIMITATIONS ON AWARDS.—

6                     “(A) IN GENERAL.—No award of financial  
7                     assistance may be made under paragraph (1) to  
8                     a center of manufacturing innovation after the  
9                     7-year period beginning on the date on which the  
10                   Secretary first awards financial assistance to  
11                   that center under that paragraph.

12                   “(B) MATCHING FUNDS AND PREFERENCES.—The total Federal financial assist-  
13                   ance awarded to a center of manufacturing innova-  
14                   tion, including the financial assistance under  
15                   paragraph (1), in a given year shall not exceed  
16                   50 percent of the total funding of the center in  
17                   that year, except that the Secretary may make  
18                   an exception in the case of large capital facilities  
19                   or equipment purchases. The Secretary shall give  
20                   weighted preference to applicants seeking less  
21                   than the maximum Federal share of funds al-  
22                   lowed under this paragraph.

23                   “(C) FUNDING DECREASE.—The amount of  
24                   financial assistance provided to a center of man-

1           *ufacturing innovation under paragraph (1) shall*  
2           *decrease after the second year of funding for the*  
3           *center, and shall continue to decrease thereafter*  
4           *in each year in which financial assistance is*  
5           *provided, unless the Secretary determines that—*

6                 “(i) the center is otherwise meeting its  
7                 stated goals and metrics under this section;  
8                 “(ii) unforeseen circumstances have al-  
9                 tered the center’s anticipated funding; and  
10                 “(iii) the center can identify future  
11                 non-Federal funding sources that would  
12                 warrant a temporary exemption from the  
13                 limitations established in this subpara-  
14                 graph.

15           “(e) *FUNDING.*—

16                 “(1) *GENERAL RULE.*—Except as provided in  
17                 paragraph (2), no funds are authorized to be appro-  
18                 priated by the Revitalize American Manufacturing  
19                 and Innovation Act of 2014 for carrying out this sec-  
20                 tion.

21                 “(2) *AUTHORITY.*—

22                 “(A) *NIST INDUSTRIAL TECHNICAL SERV-*  
23                 *ICES ACCOUNT.*—The Secretary may use not to  
24                 exceed \$5,000,000 for each of the fiscal years  
25                 2015 through 2024 to carry out this section from

1           *amounts appropriated to the Institute for Indus-*  
2           *trial Technical Services.*

3           “*(B) ENERGY EFFICIENCY AND RENEWABLE*  
4           *ENERGY ACCOUNT.—The Secretary of Energy*  
5           *may transfer to the Institute not to exceed*  
6           *\$250,000,000 for the period encompassing fiscal*  
7           *years 2015 through 2024 for the Secretary to*  
8           *carry out this section from amounts appro-*  
9           *priated for advanced manufacturing research*  
10          *and development within the Energy Efficiency*  
11          *and Renewable Energy account for the Depart-*  
12          *ment of Energy.*

13          “(f) *NATIONAL PROGRAM OFFICE.—*

14          “(1) *ESTABLISHMENT.—The Secretary shall es-*  
15          *tablish, within the Institute, the National Office of the*  
16          *Network for Manufacturing Innovation Program (re-*  
17          *ferred to in this section as the ‘National Program Of-*  
18          *fice’), which shall oversee and carry out the Program.*

19          “(2) *FUNCTIONS.—The functions of the National*  
20          *Program Office are—*

21          “(A) *to oversee the planning, management,*  
22          *and coordination of the Program;*

23          “(B) *to enter into memorandums of under-*  
24          *standing with Federal departments and agencies*  
25          *whose missions contribute to or are affected by*

1           *advanced manufacturing, to carry out the pur-*  
2           *poses described in subsection (a)(2);*

3           “*(C) to develop, not later than 1 year after*  
4           *the date of enactment of the Revitalize American*  
5           *Manufacturing and Innovation Act of 2014, and*  
6           *update not less frequently than once every 3*  
7           *years thereafter, a strategic plan to guide the*  
8           *Program;*

9           “*(D) to establish such procedures, processes,*  
10          *and criteria as may be necessary and appro-*  
11          *priate to maximize cooperation and coordinate*  
12          *the activities of the Program with programs and*  
13          *activities of other Federal departments and agen-*  
14          *cies whose missions contribute to or are affected*  
15          *by advanced manufacturing;*

16          “*(E) to establish a clearinghouse of public*  
17          *information related to the activities of the Pro-*  
18          *gram; and*

19          “*(F) to act as a convener of the Network.*

20          “(3) *RECOMMENDATIONS.—In developing and*  
21          *updating the strategic plan under paragraph (2)(C),*  
22          *the Secretary shall solicit recommendations and ad-*  
23          *vice from a wide range of stakeholders, including in-*  
24          *dustry, small and medium-sized manufacturing enter-*  
25          *prises, research universities, community colleges, and*

1       other relevant organizations and institutions on an  
2       ongoing basis.

3           “(4) REPORT TO CONGRESS.—Upon completion,  
4       the Secretary shall transmit the strategic plan re-  
5       quired under paragraph (2)(C) to the Committee on  
6       Commerce, Science, and Transportation of the Senate  
7       and the Committee on Science, Space, and Technology  
8       of the House of Representatives.

9           “(5) HOLLINGS MANUFACTURING EXTENSION  
10      PARTNERSHIP.—The Secretary shall ensure that the  
11      National Program Office incorporates the Hollings  
12      Manufacturing Extension Partnership into Program  
13      planning to ensure that the results of the Program  
14      reach small and medium-sized entities.

15           “(6) DETAILEES.—Any Federal Government em-  
16      ployee may be detailed to the National Program Of-  
17      fice without reimbursement. Such detail shall be with-  
18      out interruption or loss of civil service status or  
19      privilege.

20           “(g) REPORTING AND AUDITING.—

21           “(1) ANNUAL REPORTS TO THE SECRETARY.—

22           “(A) IN GENERAL.—The Secretary shall re-  
23      quire each recipient of financial assistance under  
24      subsection (d)(1) to annually submit a report to  
25      the Secretary that describes the finances and per-

1           *formance of the center for manufacturing inno-*  
2           *vation for which such assistance was awarded.*

3           “(B) ELEMENTS.—Each report submitted  
4           under subparagraph (A) shall include—

5           “(i) an accounting of expenditures of  
6           amounts awarded to the recipient under  
7           subsection (d)(1); and

8           “(ii) consistent with the metrics-based  
9           performance measures developed and imple-  
10           mented by the Secretary under this section,  
11           a description of the performance of the cen-  
12           ter for manufacturing innovation with re-  
13           spect to—

14           “(I) its goals, plans, financial  
15           support, and accomplishments; and

16           “(II) how the center for manufac-  
17           turing innovation has furthered the  
18           purposes described in subsection (a)(2).

19           “(2) ANNUAL REPORTS TO CONGRESS.—

20           “(A) IN GENERAL.—Not less frequently than  
21           once each year until December 31, 2024, the Sec-  
22           retary shall submit a report to Congress that de-  
23           scribes the performance of the Program during  
24           the most recent 1-year period.

1                 “(B) ELEMENTS.—Each report submitted  
2                 under subparagraph (A) shall include, for the pe-  
3                 riod covered by the report—

4                     “(i) a summary and assessment of the  
5                 reports received by the Secretary under  
6                 paragraph (1);

7                     “(ii) an accounting of the funds ex-  
8                 pended by the Secretary under the Program,  
9                 including any temporary exemptions grant-  
10                 ed from the requirements of subsection  
11                 (d)(5)(C);

12                 “(iii) an assessment of the participa-  
13                 tion in, and contributions to, the Network  
14                 by any centers for manufacturing innova-  
15                 tion not receiving financial assistance  
16                 under subsection (d)(1); and

17                 “(iv) an assessment of the Program  
18                 with respect to meeting the purposes de-  
19                 scribed in subsection (a)(2).

20                 “(3) ASSESSMENTS BY GAO.—

21                 “(A) ASSESSMENTS.—Not less frequently  
22                 than once every 2 years, the Comptroller General  
23                 shall submit to Congress an assessment of the op-  
24                 eration of the Program during the most recent 2-  
25                 year period.

1                 “(B) *FINAL ASSESSMENT.*—Not later than  
2                 December 31, 2024, the Comptroller General  
3                 shall submit to Congress a final report regarding  
4                 the overall success of the Program.

5                 “(C) *ELEMENTS.*—Each assessment sub-  
6                 mitted under subparagraph (A) or (B) shall in-  
7                 clude, for the period covered by the report—

8                         “(i) a review of the management, co-  
9                 ordination, and industry utility of the Pro-  
10                 gram;

11                         “(ii) an assessment of the extent to  
12                 which the Program has furthered the pur-  
13                 poses described in subsection (a)(2);

14                         “(iii) such recommendations for legis-  
15                 lative and administrative action as the  
16                 Comptroller General considers appropriate  
17                 to improve the Program; and

18                         “(iv) an assessment as to whether any  
19                 prior recommendations for improvement  
20                 made by the Comptroller General have been  
21                 implemented or adopted.

22                 “(h) *ADDITIONAL AUTHORITIES.*—

23                 “(1) *APPOINTMENT OF PERSONNEL AND CON-*  
24                 *TRACTS.*—The Secretary may appoint such personnel  
25                 and enter into such contracts, financial assistance

1       *agreements, and other agreements as the Secretary*  
2       *considers necessary or appropriate to carry out the*  
3       *Program, including support for research and develop-*  
4       *ment activities involving a center for manufacturing*  
5       *innovation.*

6       “*(2) TRANSFER OF FUNDS.—The Secretary may*  
7       *transfer to other Federal agencies such sums as the*  
8       *Secretary considers necessary or appropriate to carry*  
9       *out the Program. No funds so transferred may be used*  
10       *to reimburse or otherwise pay for the costs of finan-*  
11       *cial assistance incurred or commitments of financial*  
12       *assistance made prior to the date of enactment of the*  
13       *Revitalize American Manufacturing and Innovation*  
14       *Act of 2014.*

15       “*(3) AUTHORITY OF OTHER AGENCIES.—In the*  
16       *event that the Secretary exercises the authority to*  
17       *transfer funds to another agency under paragraph*  
18       *(2), such agency may accept such funds to award and*  
19       *administer, under the same conditions and con-*  
20       *straints applicable to the Secretary, all aspects of fi-*  
21       *nancial assistance awards under this section.*

22       “*(4) USE OF RESOURCES.—In furtherance of the*  
23       *purposes of the Program, the Secretary may use, with*  
24       *the consent of a covered entity and with or without*

1       *reimbursement, the land, services, equipment, per-*  
2       *sonnel, and facilities of such covered entity.*

3           “(5) ACCEPTANCE OF RESOURCES.—*In addition*  
4       *to amounts appropriated to carry out the Program,*  
5       *the Secretary may accept funds, services, equipment,*  
6       *personnel, and facilities from any covered entity to*  
7       *carry out the Program, subject to the same conditions*  
8       *and constraints otherwise applicable to the Secretary*  
9       *under this section.*

10          “(6) COVERED ENTITY.—*For purposes of this*  
11       *subsection, a covered entity is any Federal depart-*  
12       *ment, Federal agency, instrumentality of the United*  
13       *States, State, local government, tribal government,*  
14       *territory, or possession of the United States, or of any*  
15       *political subdivision thereof, or international organi-*  
16       *zation, or any public or private entity or individual.*

17          “(i) PATENTS.—*Chapter 18 of title 35, United States*  
18       *Code, shall apply to any funding agreement (as defined in*  
19       *section 201 of that title) awarded to new or existing centers*  
20       *for manufacturing innovation.”.*

21       **SEC. 4. NATIONAL STRATEGIC PLAN FOR ADVANCED MANU-**  
22                   **FACTURING.**

23       *Section 102 of the America COMPETES Reauthoriza-*  
24       *tion Act of 2010 (42 U.S.C. 6622) is amended—*

1                   (1) in subsection (a), by adding at the end the  
2 following: “In furtherance of the Committee’s work,  
3 the Committee shall consult with the National Eco-  
4 nomic Council.”;

5                   (2) in subsection (b), by striking paragraph (7)  
6 and inserting the following:

7                   “(7) develop and update a national strategic  
8 plan for advanced manufacturing in accordance with  
9 subsection (c).”; and

10                  (3) by striking subsection (c) and inserting the  
11 following:

12                  “(c) NATIONAL STRATEGIC PLAN FOR ADVANCED MAN-  
13 UFACTURING.—

14                  “(1) IN GENERAL.—The President shall submit  
15 to Congress, and publish on an Internet website that  
16 is accessible to the public, the strategic plan developed  
17 under paragraph (2).

18                  “(2) DEVELOPMENT.—The Committee shall de-  
19 velop, and update as required under paragraph (4),  
20 in coordination with the National Economic Council,  
21 a strategic plan to improve Government coordination  
22 and provide long-term guidance for Federal programs  
23 and activities in support of United States manufac-  
24 turing competitiveness, including advanced manufac-  
25 turing research and development.

1           “(3) CONTENTS.—The strategic plan described in  
2 paragraph (2) shall—

3           “(A) specify and prioritize near-term and  
4 long-term objectives, including research and de-  
5 velopment objectives, the anticipated time frame  
6 for achieving the objectives, and the metrics for  
7 use in assessing progress toward the objectives;

8           “(B) describe the progress made in achiev-  
9 ing the objectives from prior strategic plans, in-  
10 cluding a discussion of why specific objectives  
11 were not met;

12           “(C) specify the role, including the pro-  
13 grams and activities, of each relevant Federal  
14 agency in meeting the objectives of the strategic  
15 plan;

16           “(D) describe how the Federal agencies and  
17 Federally funded research and development cen-  
18 ters supporting advanced manufacturing re-  
19 search and development will foster the transfer of  
20 research and development results into new man-  
21 ufacturing technologies and United States-based  
22 manufacturing of new products and processes for  
23 the benefit of society to ensure national, energy,  
24 and economic security;

1               “(E) describe how such Federal agencies  
2 and centers will strengthen all levels of manufac-  
3 turing education and training programs to en-  
4 sure an adequate, well-trained workforce;

5               “(F) describe how such Federal agencies  
6 and centers will assist small and medium-sized  
7 manufacturers in developing and implementing  
8 new products and processes;

9               “(G) analyze factors that impact innovation  
10 and competitiveness for United States advanced  
11 manufacturing, including—

12               “(i) technology transfer and commer-  
13 cialization activities;

14               “(ii) the adequacy of the national secu-  
15 rity industrial base;

16               “(iii) the capabilities of the domestic  
17 manufacturing workforce;

18               “(iv) export opportunities and trade  
19 policies;

20               “(v) financing, investment, and tax-  
21 ation policies and practices;

22               “(vi) emerging technologies and mar-  
23 kets;

1                   “(vii) advanced manufacturing re-  
2                   search and development undertaken by com-  
3                   peting nations; and

4                   “(viii) the capabilities of the manufac-  
5                   turing workforce of competing nations; and

6                   “(H) elicit and consider the recommenda-  
7                   tions of a wide range of stakeholders, including  
8                   representatives from diverse manufacturing com-  
9                   panies, academia, and other relevant organiza-  
10                  tions and institutions.

11                  “(4) UPDATES.—Not later than May 1, 2018,  
12                  and not less frequently than once every 4 years there-  
13                  after, the President shall submit to Congress, and  
14                  publish on an Internet website that is accessible to the  
15                  public, an update of the strategic plan submitted  
16                  under paragraph (1). Such updates shall be developed  
17                  in accordance with the procedures set forth under this  
18                  subsection.

19                  “(5) REQUIREMENT TO CONSIDER STRATEGY IN  
20                  THE BUDGET.—In preparing the budget for a fiscal  
21                  year under section 1105(a) of title 31, United States  
22                  Code, the President shall include information regard-  
23                  ing the consistency of the budget with the goals and  
24                  recommendations included in the strategic plan devel-

1       *oped under this subsection applying to that fiscal  
2       year.*

3           “(6) AMP STEERING COMMITTEE INPUT.—The  
4       *Advanced Manufacturing Partnership Steering Com-*  
5       *mittee of the President’s Council of Advisors on*  
6       *Science and Technology shall provide input, perspec-*  
7       *tive, and recommendations to assist in the develop-*  
8       *ment and updates of the strategic plan under this*  
9       *subsection.”.*

10 **SEC. 5. REGIONAL INNOVATION PROGRAM.**

11       *Section 27 of the Stevenson-Wydler Technology Inno-*  
12       *vation Act of 1980 (15 U.S.C. 3722) is amended to read*  
13       *as follows:*

14 **“SEC. 27. REGIONAL INNOVATION PROGRAM.**

15           “(a) ESTABLISHMENT.—The Secretary shall establish  
16       *a regional innovation program to encourage and support*  
17       *the development of regional innovation strategies, including*  
18       *regional innovation clusters.*

19           “(b) CLUSTER GRANTS.—

20           “(1) IN GENERAL.—As part of the program es-  
21       *tablished under subsection (a), the Secretary may*  
22       *award grants on a competitive basis to eligible recipi-*  
23       *ents for activities relating to the formation and devel-*  
24       *opment of regional innovation clusters.*

1           “(2) *PERMISSIBLE ACTIVITIES.*—Grants awarded  
2        under this subsection may be used for activities deter-  
3        mined appropriate by the Secretary, including the  
4        following:

5           “(A) *Feasibility studies.*

6           “(B) *Planning activities.*

7           “(C) *Technical assistance.*

8           “(D) *Developing or strengthening commu-  
9        nication and collaboration between and among  
10      participants of a regional innovation cluster.*

11           “(E) *Attracting additional participants to  
12      a regional innovation cluster.*

13           “(F) *Facilitating market development of  
14      products and services developed by a regional in-  
15      novation cluster, including through demonstra-  
16      tion, deployment, technology transfer, and com-  
17      mercialization activities.*

18           “(G) *Developing relationships between a re-  
19      gional innovation cluster and entities or clusters  
20      in other regions.*

21           “(H) *Interacting with the public and State  
22      and local governments to meet the goals of the  
23      cluster.*

24           “(3) *ELIGIBLE RECIPIENT DEFINED.*—In this  
25      subsection, the term ‘eligible recipient’ means—

1               “(A) a State;

2               “(B) an Indian tribe;

3               “(C) a city or other political subdivision of

4               a State;

5               “(D) an entity that—

6                       “(i) is a nonprofit organization, an in-

7                       stitution of higher education, a public-pri-

8                       ivate partnership, a science or research park,

9                       a Federal laboratory, or an economic devel-

10                  opment organization or similar entity; and

11                       “(ii) has an application that is sup-

12                  ported by a State or a political subdivision

13                  of a State; or

14               “(E) a consortium of any of the entities de-

15                  scribed in subparagraphs (A) through (D).

16               “(4) APPLICATION.—

17               “(A) IN GENERAL.—An eligible recipient

18                  shall submit an application to the Secretary at

19                  such time, in such manner, and containing such

20                  information and assurances as the Secretary

21                  may require.

22               “(B) COMPONENTS.—The application shall

23                  include, at a minimum, a description of the re-

24                  gional innovation cluster supported by the pro-

25                  posed activity, including a description of—

- 1                     “(i) whether the regional innovation  
2                     cluster is supported by the private sector,  
3                     State and local governments, and other rel-  
4                     evant stakeholders;
- 5                     “(ii) how the existing participants in  
6                     the regional innovation cluster will encour-  
7                     age and solicit participation by all types of  
8                     entities that might benefit from participa-  
9                     tion, including newly formed entities and  
10                     those rival existing participants;
- 11                     “(iii) the extent to which the regional  
12                     innovation cluster is likely to stimulate in-  
13                     novation and have a positive impact on re-  
14                     gional economic growth and development;
- 15                     “(iv) whether the participants in the  
16                     regional innovation cluster have access to,  
17                     or contribute to, a well-trained workforce;
- 18                     “(v) whether the participants in the re-  
19                     gional innovation cluster are capable of at-  
20                     tracting additional funds from non-Federal  
21                     sources; and
- 22                     “(vi) the likelihood that the partici-  
23                     pants in the regional innovation cluster will  
24                     be able to sustain activities once grant

1           *funds under this subsection have been ex-*  
2           *pended.*

3           “*(C) SPECIAL CONSIDERATION.*—*The Sec-*  
4           *retary shall give special consideration to appli-*  
5           *cations from regions that contain communities*  
6           *negatively impacted by trade.*

7           “*(5) SPECIAL CONSIDERATION.*—*The Secretary*  
8           *shall give special consideration to an eligible recipient*  
9           *who agrees to collaborate with local workforce invest-*  
10          *ment area boards.*

11          “*(6) COST SHARE.*—*The Secretary may not pro-*  
12          *vide more than 50 percent of the total cost of any ac-*  
13          *tivity funded under this subsection.*

14          “*(7) OUTREACH TO RURAL COMMUNITIES.*—*The*  
15          *Secretary shall conduct outreach to public and pri-*  
16          *ivate sector entities in rural communities to encourage*  
17          *those entities to participate in regional innovation*  
18          *cluster activities under this subsection.*

19          “*(8) FUNDING.*—*The Secretary may accept funds*  
20          *from other Federal agencies to support grants and ac-*  
21          *tivities under this subsection.*

22          “*(c) REGIONAL INNOVATION RESEARCH AND INFORMA-*  
23          *TION PROGRAM.*—

24          “*(1) IN GENERAL.*—*As part of the program es-*  
25          *tablished under subsection (a), the Secretary shall es-*

1       *tablish a regional innovation research and informa-*  
2       *tion program—*

3               “(A) to gather, analyze, and disseminate in-  
4       *formation on best practices for regional innova-*  
5       *tion strategies (including regional innovation*  
6       *clusters), including information relating to how*  
7       *innovation, productivity, and economic develop-*  
8       *ment can be maximized through such strategies;*

9               “(B) to provide technical assistance, includ-  
10      *ing through the development of technical assist-*  
11      *ance guides, for the development and implemen-*  
12      *tation of regional innovation strategies (includ-*  
13      *ing regional innovation clusters);*

14               “(C) to support the development of relevant  
15      *metrics and measurement standards to evaluate*  
16      *regional innovation strategies (including re-*  
17      *gional innovation clusters), including the extent*  
18      *to which such strategies stimulate innovation,*  
19      *productivity, and economic development; and*

20               “(D) to collect and make available data on  
21      *regional innovation cluster activity in the*  
22      *United States, including data on—*

23               “(i) the size, specialization, and com-  
24      *petitiveness of regional innovation clusters;*

1                   “(ii) the regional domestic product  
2 contribution, total jobs and earnings by key  
3 occupations, establishment size, nature of  
4 specialization, patents, Federal research  
5 and development spending, and other rel-  
6 evant information for regional innovation  
7 clusters; and

8                   “(iii) supply chain product and service  
9 flows within and between regional innova-  
10 tion clusters.

11                  “(2) RESEARCH GRANTS.—The Secretary may  
12 award research grants on a competitive basis to sup-  
13 port and further the goals of the program established  
14 under this subsection.

15                  “(3) DISSEMINATION OF INFORMATION.—Data  
16 and analysis compiled by the Secretary under the  
17 program established in this subsection shall be made  
18 available to other Federal agencies, State and local  
19 governments, and nonprofit and for-profit entities.

20                  “(4) REGIONAL INNOVATION GRANT PROGRAM.—  
21 The Secretary shall incorporate data and analysis re-  
22 lating to any grant under subsection (b) into the pro-  
23 gram established under this subsection.

24                  “(d) INTERAGENCY COORDINATION.—

1           “(1) *IN GENERAL.*—To the maximum extent  
2       practicable, the Secretary shall ensure that the activi-  
3       ties carried out under this section are coordinated  
4       with, and do not duplicate the efforts of, other pro-  
5       grams at the Department of Commerce or other Fed-  
6       eral agencies.

7           “(2) *COLLABORATION.*—

8           “(A) *IN GENERAL.*—The Secretary shall ex-  
9       plore and pursue collaboration with other Fed-  
10       eral agencies, including through multiagency  
11       funding opportunities, on regional innovation  
12       strategies.

13           “(B) *SMALL BUSINESSES.*—The Secretary  
14       shall ensure that such collaboration with Federal  
15       agencies prioritizes the needs and challenges of  
16       small businesses.

17           “(e) *EVALUATION.*—

18           “(1) *IN GENERAL.*—Not later than 3 years after  
19       the date of enactment of the Revitalize American  
20       Manufacturing and Innovation Act of 2014, the Sec-  
21       retary shall enter into a contract with an inde-  
22       pendent entity, such as the National Academy of  
23       Sciences, to conduct an evaluation of the program es-  
24       tablished under subsection (a).

1           “(2) REQUIREMENTS.—The evaluation shall in-  
2        clude—

3           “(A) whether the program is achieving its  
4        goals;

5           “(B) any recommendations for how the pro-  
6        gram may be improved; and

7           “(C) a recommendation as to whether the  
8        program should be continued or terminated.

9           “(f) DEFINITIONS.—In this section:

10          “(1) REGIONAL INNOVATION CLUSTER.—The  
11        term ‘regional innovation cluster’ means a geographi-  
12        cally bounded network of similar, synergistic, or com-  
13        plementary entities that—

14          “(A) are engaged in or with a particular  
15        industry sector and its related sectors;

16          “(B) have active channels for business  
17        transactions and communication;

18          “(C) share specialized infrastructure, labor  
19        markets, and services; and

20          “(D) leverage the region’s unique competi-  
21        tive strengths to stimulate innovation and create  
22        jobs.

23          “(2) STATE.—The term ‘State’ means one of the  
24        several States, the District of Columbia, the Common-  
25        wealth of Puerto Rico, the Virgin Islands, Guam,

1       *American Samoa, the Commonwealth of the Northern  
2       Mariana Islands, or any other territory or possession  
3       of the United States.*

4       “(g) *FUNDING*.—

5           “(1) *GENERAL RULE*.—*Except as provided in  
6       paragraph (2), no funds are authorized to be appro-  
7       priated by the Revitalize American Manufacturing  
8       and Innovation Act of 2014 for carrying out this sec-  
9       tion.*

10          “(2) *AUTHORITY*.—*The Secretary may use not to  
11       exceed \$10,000,000 for each of the fiscal years 2015  
12       through 2019 to carry out this section from amounts  
13       appropriated for economic development assistance  
14       programs.”.*

**Union Calendar No. 446**

113<sup>TH</sup> CONGRESS  
2D SESSION

**H. R. 2996**

**[Report No. 113-599, Part I]**

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**A BILL**

To require the Secretary of Commerce to establish the Network for Manufacturing Innovation and for other purposes.

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SEPTEMBER 15, 2014

Reported from the Committee on Science, Space, and Technology with an amendment

SEPTEMBER 15, 2014

The Committee on Appropriations discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed